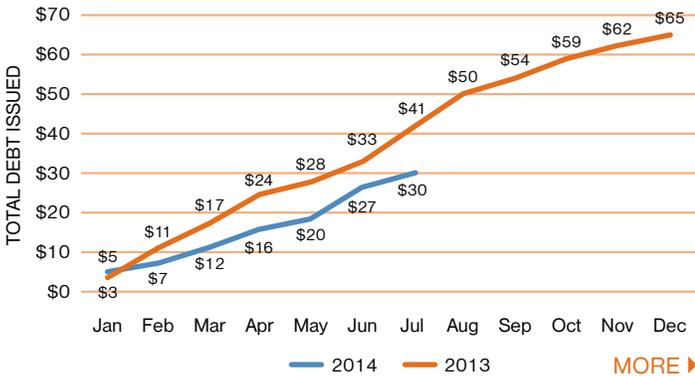


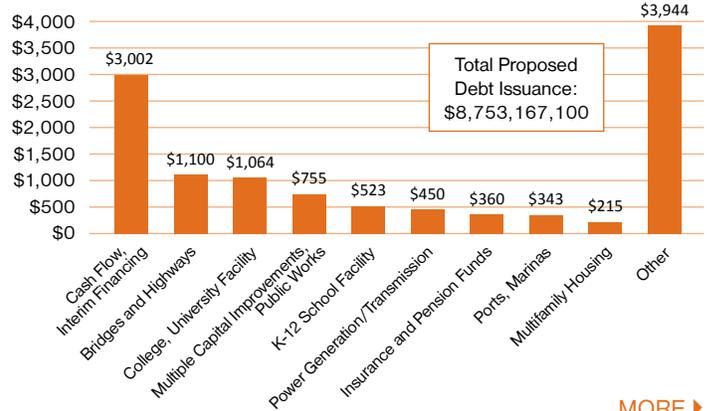
## California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)



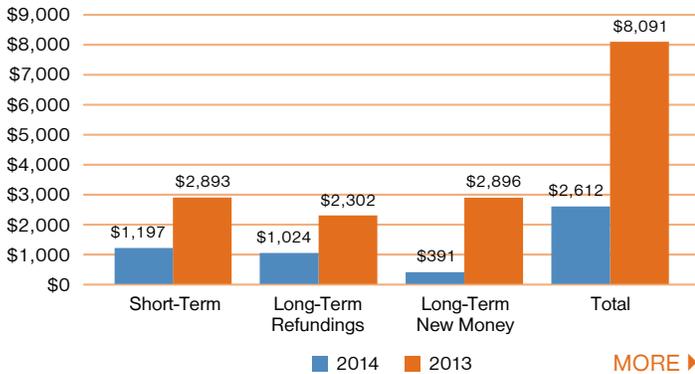
[MORE ▶](#)

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 7-16-2014 THROUGH 8-15-2014, BY PURPOSE (IN MILLIONS)



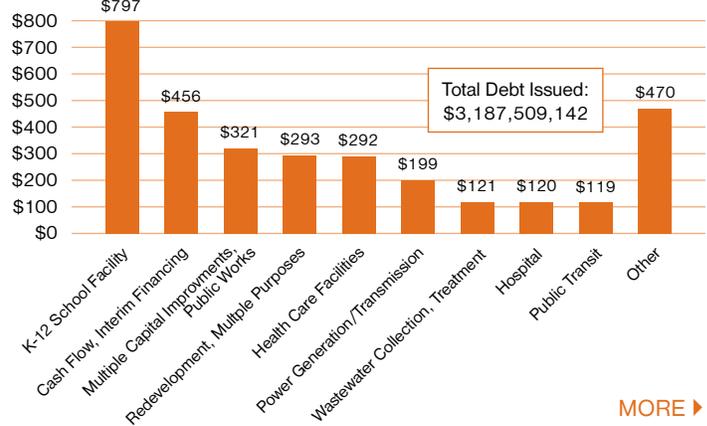
[MORE ▶](#)

CALIFORNIA PUBLIC DEBT ISSUANCE, JULY (IN MILLIONS)



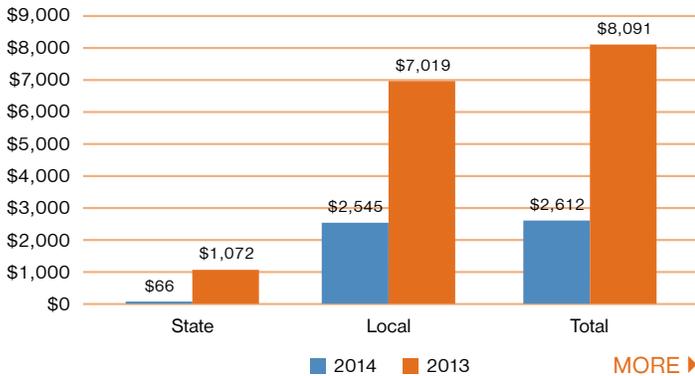
[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 7-16-2014 THROUGH 8-15-2014, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

STATE\* VERSUS LOCAL DEBT ISSUANCE, JULY (IN MILLIONS)



[MORE ▶](#)

\* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#). 

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*Debt Line* publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

Business correspondence and editorial comments are welcome.

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# DATA-CORNER

## CDIAC Updates Its Online Reporting Forms

The California Debt and Investment Advisory Commission (CDIAC) continues to update its reporting forms to keep pace with changes in the municipal market, amendments to California law, and feedback from report filers. Highlighted below are some of the more significant recent changes made to CDIAC's reporting forms:

### Report of Proposed Debt Issuance

California issuers of public debt are required to give written notice to CDIAC of any proposed new debt issue no later than 30 days prior to the sale.<sup>1</sup> Notices contain certain information on the proposed debt issue, including but not limited to, the type of debt instrument, the source of repayment for the proposed debt and the purpose of the issuance. The Report of Proposed Debt Issuance (RPDI) was developed to standardize and facilitate for issuers this initial reporting. CDIAC has updated the RPDI to include:

- **FILING CONTACT – BORROWER COUNSEL (LOAN).** CDIAC found that the traditional role of bond counsel is better described as borrower's counsel when the financing is a private placement or direct loan

and the borrower is the public agency entering into the contract. The Borrow Counsel has been added to the RPDI in response.

- **DEBT INSTRUMENT – LOAN FROM BANK/OTHER INSTITUTION.** In recent years, the use of direct lending by municipal issuers has become more common. This type of debt instrument was not previously included on our RPDI. CDIAC added this debt type to the RPDI.
- **DEBT INSTRUMENT - RATE REDUCTION BONDS.** A recent amendment to the Marks-Roos Bond Pooling Act of 1985 requires local issuers of rate reduction bonds to report the issuance of these bonds to CDIAC on their RPDI.<sup>2</sup> CDIAC added this debt type to the report.
- **SOURCE(S) OF REPAYMENT – UTILITY PROJECT CHARGES.** When rate reduction bonds are issued, the source of repayment for the debt must be financed by charges to the customers of the publicly owned utility.<sup>3</sup> CDIAC added this source of repayment to the RPDI to facilitate reporting for issuers.
- **PURPOSE(S) OF FINANCING – COMMERCIAL ENERGY CONSERVATION/IMPROVEMENT AND RESIDENTIAL ENERGY CONSERVATION/IMPROVEMENT.** As a result of the increase in public financings of Property Assessed Clear Energy (PACE) programs for both commercial and

<sup>1</sup> Government Code Section 8855(i).

<sup>2</sup> Government Code Section 6588.7(e)(2) added by Assembly Bill Number 850, Statutes of 2013, Chapter 636, Section 2, Effective January 1, 2014.

<sup>3</sup> Government Code Section 6588.7(a)

residential property owners, CDIAC has added this purpose our RPDI.<sup>4</sup>

## Report of Final Sale

Currently, state and local issuers are required to submit a report of final sale to CDIAC no later than 45 days after the signing the bond purchase contract of acceptance of a bid.<sup>5</sup> CDIAC may require any information that it considers appropriate in the report and developed the Report of Final Sale (RFS) to standardize and facilitate reporting. CDIAC has updated the RFS to include:

- **FINANCING PARTICIPANT – BORROWER COUNSEL (LOAN).** Adding this role to the RFS allows for CDIAC to capture the issuance costs and fees associated with this participant.
- **INTEREST TYPE – OTHER.** In prior versions of our report, only true interest costs (TIC), net interest costs (NIC) and variable rate were included in this field. With the increase in private placements and direct loans, CDIAC has found that many financings have an interest type that is not accurately reflected by either of these choices. To account for this the RFS now provides the issuers the ability to identify their actual interest type.
- **RATE REDUCTION SAVINGS.** Issuers of rate reduction bonds must identify the savings realized by the issuance of this debt on the report of final sale to CDIAC.<sup>6</sup> The addition of this field facilitates this reporting.

## Yearly Fiscal Status Reporting – Marks-Roos Local Bond Pooling Act (Marks-Roos Act) and the Communities Facilities District (CFD) Act (Mello-Roos Act)

Joint powers authorities (JPAs) which issued Marks-Roos bonds after January 1, 1996 and used the proceeds of those bonds to purchase another local agency's bonds or make a loan to another local agency, are required to submit an annual yearly fiscal status report to CDIAC on the status of those bonds and the status of any local obligations no later than October 30<sup>th</sup> of each year until the bonds are no longer outstanding.<sup>7</sup> CFDs which issued Mello-Roos bonds after January 1, 1993 have the same reporting responsibility.<sup>8</sup> To facilitate this reporting, CDIAC developed Yearly Fiscal Status Reports (YFSRs) for both programs. Although all YFSRs contained fields for information required by statute, many filers have expressed to CDIAC that they were not able to add comments or other information they felt was important to these reports. In response, CDIAC has added a "Comment" fields to all YFSRs as a service to filers.

## Draw on Reserves and Default Reporting – Marks-Roos Local Bond Pooling Act (Marks-Roos Act) and the Communities Facilities District (CFD) Act (Mello-Roos Act)

Issuers of Marks-Roos and Mello-Roos bonds, regardless of the date of

issuance, must report all defaults and certain draws on reserves to CDIAC no later than 10 days after each occurrence.<sup>9</sup> A default is defined as the failure to pay principal and interest due on any scheduled payment date. Marks-Roos issuers must also report any draw from the reserve fund to pay principal and interest within the same timeframe. Mello-Roos issuers must only report a draw from the reserve to pay principal and interest which reduces the reserve fund to less than the reserve requirement.

In 2011, CDIAC added the ability for Marks-Roos and Mello-Roos issuers to voluntarily disclose any "replenishment of reserve funds" subsequent to a prior draw on reserve. This voluntary disclosure was previously only available using CDIAC's mail-in form.

All of CDIAC's reports are available in electronic and mail-in versions and are located on our website at [www.treasurer.ca.gov/cdiac/reporting.asp](http://www.treasurer.ca.gov/cdiac/reporting.asp). CDIAC's Data Unit welcomes feedback from filers on how it might improve data collection and reporting. Please submit any questions about reporting requirements or any comments or concerns about CDIAC reports, to the Data Unit by e-mail at [cdiac\\_issuance@treasurer.ca.gov](mailto:cdiac_issuance@treasurer.ca.gov) or by phone at 916-653-3269.

DL

<sup>4</sup> Assembly Bill 811 of 2008 amended sections of the Streets and Highways Code that allowed local agencies to issue bonds financed by assessments to residential and commercial property owners.

<sup>5</sup> Government Code Section 8855(j).

<sup>6</sup> Government Code Section 6588.7(e)(2).

<sup>7</sup> Government Code Section 6599.1(b)

<sup>8</sup> Government Code Section 53359.5(b)

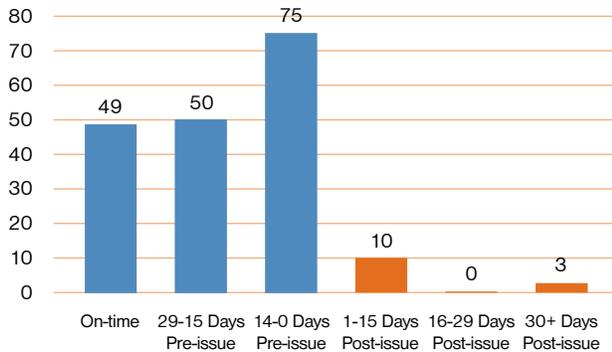
<sup>9</sup> Government Code Section 6599.1(c) and 53359.5(c).

# DATA-CORNER

A MONTHLY UPDATE FROM CDIAC'S DATA COLLECTION AND ANALYSIS UNIT

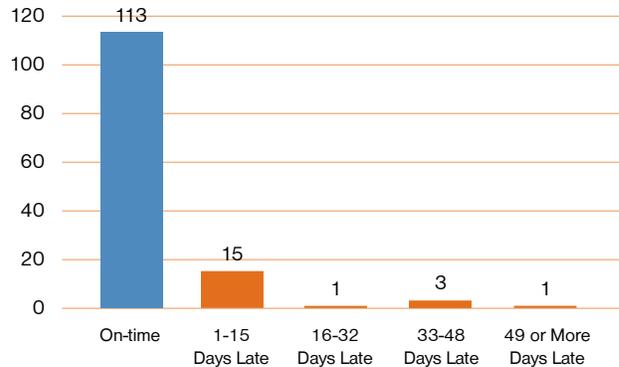
## TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDIs)\*  
RECEIVED JULY 2014



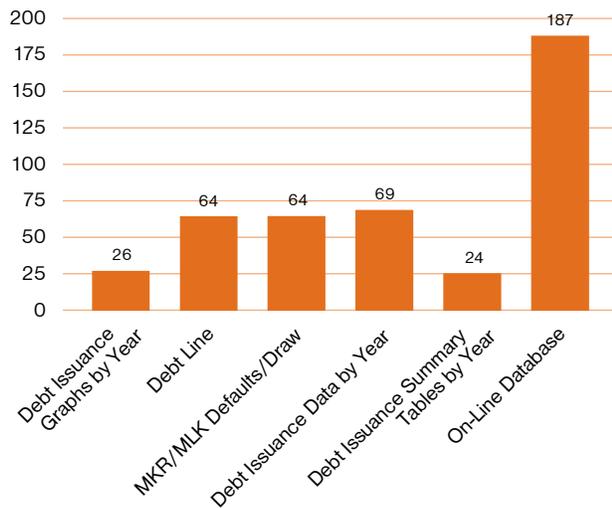
\* California Government Code Section 8855(h)(3) states that RPDIs must be submitted no later than 30 days prior to issuance.

REPORTS OF FINAL SALE (RFSs)\*  
RECEIVED JULY 2014



\* California Government Code Section 8855(i) states that RFSs must be submitted within 45 days of the signing of the bond purchase contract (negotiated or private financing) or the acceptance of a bid (competitive offering).

## ONLINE ACTIVITY JULY 2014



## DATA UNIT ACTIVITY JULY 2014

- ✓ Received and processed 187 Reports of Proposed Debt Issuance (RPDIs)
- ✓ Received and processed 133 Reports of Final Sale (RFSs)
- ✓ Mailed 80 invoices for payment of debt issuance fees
- ✓ Received 5 Marks-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2012-2013
- ✓ Received 0 Mello-Roos Yearly Fiscal Status Reports (YFSRs) for FY 2012-2013
- ✓ 434 Internet hits on data pages



# MUNICIPAL MARKET REGULATORY ACTIVITY

## UPDATE TO JULY

- 31** SEC announced changes to its Municipalities Continuing Disclosure Cooperation (MCDC) Initiative. The reporting deadline for issuers of municipal securities is extended to December 1, 2014. The reporting deadline for underwriters remains September 10, 2014. The SEC also implemented a tiered system for the civil penalty caps applicable to underwriters, based on the each firm's annual revenue for 2013.

## UPDATES TO AUGUST

- 1** SEC approved the MSRB's request to amend Rule G-3 on professional qualification requirements, Rule G-7, on information concerning associated persons, and Rule G-27, on supervision. The amendments become effective September 30, 2014.
- 5** The National Association of Bond Lawyers (NABL) published a paper aimed to help issuers analyze the language of the SEC's MCDC Initiative and determine whether to report under that program.
- 14** MSRB hosted a webinar on its request for comment on revised draft Rule G-42 regarding duties of non-solicitor municipal advisors.
- 19** MSRB and the SEC hosted a webinar on municipal advisor registration and compliance. **DL**

# SAVE THE DATE

## CDIAC Webinars, Seminars, and Conferences

### OCTOBER

OCTOBER 22, 2014

**WEBINAR** Principles and Practices of Debt Management: Employing a Debt Policy  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

## CDIAC Collaborative Workshops

### SEPTEMBER

SEPTEMBER 18, 2014

Special Assessments: New Approaches for Achieving Successful Outcomes  
UC Davis Extension  
Sacramento, CA  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

### OCTOBER

OCTOBER 8, 2014

Pre-conference at *The Bond Buyer's* 24<sup>th</sup> Annual California Public Finance Conference- Direct Lending in the Municipal Market: Financial and Transactional Considerations  
San Diego, CA  
[www.bondbuyer.com](http://www.bondbuyer.com)

Additional information is available online  
[www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

## Other Seminars and Conferences

### SEPTEMBER

SEPTEMBER 3-5, 2014

League of California Cities  
Annual Conference and Expo  
Los Angeles, CA  
[www.cacities.org](http://www.cacities.org)

SEPTEMBER 7-10, 2014

National Association of State Treasurers  
Annual Conference  
Mackinac Island, MI  
[www.nast.net](http://www.nast.net)

SEPTEMBER 8, 2014

Government Finance Officers Association  
Risk Assessment in Public Funds  
Sacramento, CA  
[www.gfoa.org](http://www.gfoa.org)

SEPTEMBER 9, 2014

Municipal Market Advisor  
The Municipal Market for Issuers:  
Today and Tomorrow, Issuer Brief Webinar  
[www.mma-research.com](http://www.mma-research.com)

SEPTEMBER 11-12, 2014

Government Finance Officers Association  
Essentials of Debt Financing  
and Management  
Sacramento, CA  
[www.gfoa.org](http://www.gfoa.org)

SEPTEMBER 13-16, 2014

American Planning Association  
California Chapter  
2014 Conference  
Anaheim, CA  
[www.apacalifornia.org](http://www.apacalifornia.org)

# SAVE THE DATE

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## SEPTEMBER 17-19, 2014

National Association of Bond Lawyers  
39<sup>th</sup> Annual Bond Attorneys' Workshop  
Chicago, IL  
[www.nabl.org](http://www.nabl.org)

## SEPTEMBER 29- OCTOBER 2, 2014

California Special Districts Association  
Annual Conference  
Palm Springs, CA  
[www.csda.net](http://www.csda.net)

## OCTOBER

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### OCTOBER 7-10, 2014

California Association of County  
Treasurers and Tax Collectors  
Bankruptcy and Education Conference  
Burlingame, CA  
[www.cacttc.org](http://www.cacttc.org)

### OCTOBER 8-10, 2014

National Association of Independent  
Public Finance Advisors  
Annual Conference  
Portland, OR  
[www.naipfa.com](http://www.naipfa.com)

### OCTOBER 14-17, 2014

California Municipal Revenue  
and Tax Association  
Training Conference  
Pleasanton, CA  
[www.cmrta.org](http://www.cmrta.org)

### OCTOBER 27-29, 2014

California Coalition for  
Adequate School Housing  
Fall Conference &  
Pre-conference Workshop  
Newport Beach, CA  
[www.cashnet.org](http://www.cashnet.org)

## NOVEMBER

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### NOVEMBER 4-7, 2014

California State Association  
of County Auditors  
Fall Conference  
San Luis Obispo, CA  
<http://calsaca.org>

### NOVEMBER 12 - 14, 2014

Municipal Management Association  
of Southern California  
Annual Conference  
San Diego, CA  
[www.mmasc.org](http://www.mmasc.org)

### NOVEMBER 18, 2014

California State Treasurer's Office Local  
Agency Investment Fund 2014 Conference  
Sacramento, CA  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)

### NOVEMBER 18 - 21, 2014

Council of Development Finance Agencies  
National Development Finance Summit  
Scottsdale, AZ  
<http://cdfa.net>

## DECEMBER

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### DECEMBER 2-5, 2014

Association of California Water Agencies  
Fall Conference & Exhibition  
San Diego, CA  
[www.acwa.com](http://www.acwa.com)

### DECEMBER 3-4, 2014

League of California Cities:  
Municipal Finance Institute  
Location TBD  
[www.cacities.org](http://www.cacities.org)

## JANUARY

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### JANUARY 21-23, 2015

California Association of Sanitation Agencies  
Winter Conference  
Palm Springs, CA  
[www.casaweb.org](http://www.casaweb.org)

### JANUARY 28-29, 2015

California Municipal Treasurers Association  
2014 Essentials of Treasury/  
Advanced Investment Workshop  
Pomona, CA  
[www.cmta.org](http://www.cmta.org)

## FEBRUARY

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### FEBRUARY 8-11, 2015

Information Management Network  
ABS Vegas 2015  
Las Vegas, NV  
[www.imn.org/main/](http://www.imn.org/main/)

### FEBRUARY 18-20, 2015

California Society of Municipal Analysts  
2015 Annual Conference  
Monterey, CA  
[www.csmfo.org](http://www.csmfo.org)

### FEBRUARY 23-25, 2015

California Coalition for Adequate School  
Housing 36<sup>th</sup> Annual Conference  
Sacramento, CA  
[www.cashnet.org](http://www.cashnet.org)

### FEBRUARY 25-26, 2015

Association of California Water Agencies  
2015 DC Conference  
Washington DC  
[www.acwa.com](http://www.acwa.com)

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Organizations may submit information on future educational seminars, meetings, or conferences by contacting CDIAC at 915 Capitol Mall, Room 400, Sacramento, CA 95814, calling (916) 653-3269, faxing (916) 654-7440, or emailing [cdiaceducation@treasurer.ca.gov](mailto:cdiaceducation@treasurer.ca.gov). Publication of announcements is subject to space limitations.